

STATEMENT OF PURPOSE**RS23252**

Current law states that taxpayers shall claim a fuel tax credit on their annual income tax return or submit refund claims on a monthly basis then reconcile those refund claims on their annual income tax return. Taxpayers rarely, if ever, file the annual reconciliation and the Tax Commission has not enforced the reconciliation requirement. To reduce administrative burdens on taxpayers and to conform to current practice, the proposed legislation allows the taxpayer the choice of filing for the refund either annually on the income tax return or separately for a period not greater than one year but not less than one month and eliminates the annual reconciliation requirement. The legislative proposal also clarifies refund procedures for claimants that are not required to file an income tax return to mirror procedures for claimants that must file an income tax return.

FISCAL NOTE

No effect on state revenues.

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Statement of Purpose / Fiscal Note**H0042**